

NEW MEXICO STATE TRANSPORTATION COMMISSION

MEETING

**New Mexico Farm & Ranch Heritage Museum
4100 Dripping Springs Road
Las Cruces, NM 88011
July 15, 2021**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on July 15, 2021, at the New Mexico Farm & Ranch Heritage Museum, Las Cruces, New Mexico. Chairman Adams called the meeting to order at 9:05 a.m. He asked for a roll call to establish a quorum. Mershawn Griego, Office of the Secretary, New Mexico Department of Transportation (NMDOT), proceeded to call the roll. Commissioners Walter G. Adams, Jennifer Sandoval, Bruce Ellis, Hilma E. Chynoweth, Thomas C. Taylor, and Charles Lundstrom were present.

Approval of the STC Meeting Agenda

Chairman Adams asked for a motion to approve the STC agenda; Commissioner Ellis made a motion to approve the agenda, as presented; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the May 20, 2021, STC regular video conference meeting minutes; Commissioner Chynoweth made a motion to approve the minutes, as presented; Commissioner Sandoval seconded; motion carried unanimously.

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State Transportation Commissioners Present:

Jennifer Sandoval, Vice-Chair, District One
Bruce Ellis, Commissioner, District Two
Hilma E. Chynoweth, Commissioner, District Three
Walter G. Adams, Chairman, District Four
Thomas C. Taylor, Commissioner, District Five
Charles Lundstrom, Secretary, District Six

NMDOT Staff Present:

Michael Sandoval, Cabinet Secretary
Justin Reese, Deputy Secretary, Business Support
Rick Padilla, P.E., Executive Director of Highway Operations
Jerry Valdez, Executive Projects Director
Kenneth B. Baca, General Counsel
NMDOT Staff

Elected Officials and Delegations Present:

The Honorable Ken Miyagishima, Mayor, City of Las Cruces
The Honorable Howie Morales, Lieutenant Governor, State of New Mexico
The Honorable Willie D. Madrid, New Mexico State Representative, District 53

Introductions

Chairman Adams and Michael Sandoval, Cabinet Secretary, NMDOT, welcomed attendees to the STC meeting and invited all elected officials in attendance to introduce themselves.

Chairman Adams thanked the City of Las Cruces and NMDOT District One for hosting the STC meeting and, on behalf of the Commission, thanked NMDOT employees for organizing the meeting.

Public Comment

George Pearson, bicycle advocate and representative of several New Mexico bicycle associations and committees, asked that the State of New Mexico start implementing its portion of the United States Bicycle Route (USBR) System. He explained what the USBR System is and how the routes are designated and approved. In New Mexico there are three corridors that could possibly be included in the USBR system: (1) USBR 75 runs north/south in the center of the state and could be the bicycle component of Rio Grande Trail; (2) USBR 66 crosses east/west in the middle of the state, similar to old Route 66; and (3) USBR 90 runs east/west in the southern part of the state. There are many reasons to implement USBRs in New Mexico, most importantly, economy and tourism.

The bicycle community has been asking for USBRs for several years and was told the statewide bicycle plan would need to be completed. That has happened but there has been no movement toward implementing the USBR system in New Mexico. He suggested starting with the southern route; it is potentially all on NMDOT right of way. The completion of USBR 90 would demonstrate the need and value of the USBRs in New Mexico. Mr. Pearson closed by asking what the next steps are.

Approval of Proposed Dedication of the Bridge Located on NM 6 Over the Rio Grande (Bridge No. 9827) as the “Daniel D. Fernandez Veterans Memorial Bridge”

Justin Gibson, P.E., District Three Engineer, NMDOT presented and requested the STC’s approval of the proposed dedication of the bridge located on NM 6 over the Rio Grande in the Village of Los Lunas (Bridge No. 9827), as the “Daniel D. Fernandez Veterans Memorial Bridge”.

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United States Army Specialist 4th Class (Sp4c) Daniel D. Fernandez was a native New Mexican from Valencia County, who lost his life in Vietnam when he heroically threw himself on a live grenade to save the lives of his comrades. The dedication of the bridge is to honor and recognize Sp4c Fernandez and the veterans of Valencia County and is supported by the Village of Los Lunas.

Chairman Adams asked for a motion to approve the dedication of the bridge located on NM 6 over the Rio Grande in the Village of Los Lunas (Bridge No. 9827), as the “Daniel D. Fernandez Veterans Memorial Bridge”; Commissioner Chynoweth made a motion to approve the request, as presented; Commissioner Ellis seconded; motion carried unanimously.

District One Update

Trent Doolittle, P.E., District One Engineer, NMDOT, began his presentation by recognizing and thanking District One staff for the work they do and especially for their efforts during the pandemic. He provided an update regarding District One, during which he discussed the District’s operating budget, projects, maintenance, and other activities. He also reported on the District’s Employee Recognition Program and acknowledged recent award winners.

Approval of Proposed Dedication of a Portion of Interstate 10 as the “New Mexico State Police Officer Darian Jarrott Memorial Corridor”

Trent Doolittle, P.E., District One Engineer, NMDOT, presented and requested approval of the proposed dedication of the 18.3 mile portion of Interstate 10 from Milepost 84.8 to Milepost

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103.1 in Luna County, as the “New Mexico State Police Officer Darian Jarrott Memorial Corridor”.

Darian Jarrott was a native New Mexican, born on April 10, 1992. On February 4, 2021, he tragically lost his life in the line of duty while conducting a traffic stop on Interstate 10 near Milepost 101 in Luna County. The proposed dedication will create a permanent reminder in honor and recognition of Officer Jarrott and memorialize the sacrifice he made while serving and protecting the residents of Grant, Hidalgo, Luna and Eddy Counties and the people of the State of New Mexico.

Howie Morales, Lieutenant Governor, State of New Mexico, greeted meeting attendees and expressed his gratitude to the STC and NMDOT staff for their work during the pandemic. He also thanked NMDOT; specifically, Trent Doolittle, District One, and the Department of Public Safety for working together to bring this dedication proposal forward to the STC. He fully supports approval of the dedication of the “New Mexico State Police Officer Darian Jarrott Memorial Corridor.

Robert Thornton, Chief, New Mexico State Police, thanked the STC and everyone who worked on the dedication for Officer Jarrott, including Lieutenant Governor Morales and Secretary Sandoval. He spoke about how the loss of Officer Jarrott affected him, personally, and the officers of District 12, where Officer Jarrott worked, as well as the officers in District 3, who they work with. He expressed his gratitude for the outpouring of support they have received, the work that has gone into this dedication request, and the leadership in the District by Captain Ricky Hernandez. In closing, he stated that his Department fully supports the dedication and thinks it is a great way to remember Office Jarrott.

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Chairman Adams thanked Chief Thornton and all of his fellow officers for the work they do every day. Secretary Sandoval followed by thanking Chief Thornton and offering his condolences to him and Officer Jarrott's family.

Chairman Adams asked for a motion to approve the proposed dedication of the 18.3 mile portion of Interstate 10 from Milepost 84.8 to Milepost 103.1 in Luna County, as the "New Mexico State Police Officer Darian Jarrott Memorial Corridor; Commissioner Taylor made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Secretary's Report

Secretary Sandoval provided an update on NMDOT's proposed return to work plan. He reported that interactive webinars were conducted with employees to discuss various options for returning to work: (1) voluntarily returning to work in the office full time on July 6, 2021; (2) continuing to telework from home (one to five days a week); or (3) working a hybrid schedule of a combination of the two options. The State Personnel Office (SPO) issued a telework policy and form that NMDOT distributed to all employees to complete and return if they wish to continue teleworking. The forms will be reviewed by NMDOT Management and either approved or denied based on business requirements, job type and employee performance. All plans will be in place and employees either physically back at work, or on an approved telework schedule by August 9, 2021.

Secretary Sandoval discussed the funding NMDOT received in the 2021 Regular Legislative Session, including approximately \$300 million in appropriations from the General

Fund and authorization to bond for almost \$300 million for road and construction projects. On July 27, 2021, NMDOT will be issuing the bonds for approximately \$300 million and closing on the transaction in early August. Proceeds from the sale will be available for projects by the middle of August.

The Secretary informed the STC that Tammy Haas has announced her retirement from NMDOT. He stated that she has been wonderful for the Department and recognized her for taking on the responsibility for NMDOT's bonding program when it was not part of her job. She saved the NMDOT \$7 million dollars as a result of the bond reissuance and refunding transaction last year and is currently completing the Department's \$300 million bond sale.

NMDOT has identified projects for the \$300 million in bond proceeds. The funds will be divided almost equally between the six Districts for projects on the lists previously presented to the STC and Legislature, with the exception of one additional project in District Six, where \$34 million will go toward starting the process to six lane I-40 from Albuquerque to Gallup. NMDOT will start the project by constructing a ten-mile segment and then continue segment by segment as funds become available.

NMDOT received approximately \$120 million from the Legislature in the 2021 Regular Session to fund the Transportation Project Fund (TPF). In addition, through 2021 Senate Bill 20, starting this year NMDOT will receive about \$40 million more in distributions from Motor Vehicle Excise tax to fund the TPF. Accordingly, this year NMDOT will have approximately \$150 - \$160 million to distribute to eligible local entities, and about \$40 million per year thereafter. Each District should receive about \$25 million for TPF grant awards this year; their recommendations

are due to the Secretary by July 26, 2021. NMDOT received approximately \$283 million in requests this year.

The State received about \$1.7 billion in recovery funds. The Governor has discretion as to how those funds are spent and asked for proposals from state agencies. NMDOT submitted a proposal to request funding for certain transportation projects.

Last year, NMDOT received a \$12.5 million build grant for the US 285 project in Carlsbad. This year, with NMDOT's assistance, the Village of Los Lunas received \$25 million in funding for its interchange project. To date, NMDOT has provided funding for that project in the approximate amount of \$70 million. About \$100 million more is needed to complete the project.

Secretary Sandoval reported that FHWA recently hired a new New Mexico Division Administrator, Ms. Cindy Vigue. She just moved to the state so was unable to attend the STC meeting today. The Secretary will likely introduce her to the STC at its September meeting.

The Secretary pointed out that over the last three legislative sessions NMDOT has received over \$1 billion dollars in additional funding above its budget. It takes a lot to make that happen, not only to receive the money but to spend it well. NMDOT's consultants and contractors, who actually perform the work, have been doing an excellent job. He specifically recognized Albert Thomas, American Council of Engineering Companies (ACEC) and Jim Garcia, Associated Contractors of New Mexico (ACNM), who have both helped NMDOT spend its money wisely. Because NMDOT is doing such a good job with the money, both spending it and delivering a good product, the outlook for the Department to receive more funding in the next legislative session is very positive.

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In closing, the Secretary commended NMDOT's Ports of Entry staff for their sometimes-dangerous work during the pandemic. A short video recognizing those employees was subsequently presented.

Maintenance Report

Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, provided an update regarding FY21 maintenance activities, during which he discussed snow and ice removal activity. He reported that NMDOT spent approximately \$19.5 million and covered a total of 1.3 million pass miles. He also reported on NMDOT's litter removal efforts. Due to the pandemic, NMDOT was not able to use New Mexico Corrections Department inmate labor this year to help with litter pick up. As a result, NMDOT spent almost 90,000 labor hours and approximately \$3 million on litter removal efforts. He also discussed some of NMDOT's other FY21 maintenance accomplishments and expenses, as well as COVID-19 operations and expenses.

Finance Reports

NMDOT Financial Status Update

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented the NMDOT financial status update as of June 30, 2021. NMDOT's combined FY21 budget is presently \$1.5 billion. State Road Fund: To date, NMDOT has received a total of \$828.5 million in revenues and spent \$849.2 million. Restricted Funds: NMDOT's FY21 restricted funds budget ended the year at \$166.4 million. To date, NMDOT has received a total of \$64.1 million in revenue and spent \$66.5 million. NMDOT is still collecting FY21 revenue and has until the end of August

to complete revenue collection and close its books for FY21. Mrs. Manzanares also discussed NMDOT's FY21 year-end cash balances for operating budget funds: Road Fund: \$322.7 million; Restricted Funds: \$63.7 million; Total Cash Balance: \$386.4 million. At present, NMDOT's projected FY21 year-end fund balances ("savings account" amounts) are: Road Fund: \$30.8 million; Restricted Funds: \$32.7 million; and Operating Fund (agency total): \$63.5 million.

Approval of FY21 Budget Adjustment Request (BAR) No. 27 – Brine Well Remediation

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented and requested approval of FY21 BAR No. 27 - P564 - BSUP. The BAR is required to establish budget authority for the Business Support Program and will increase the budget authority in Other Financing Uses (Category 500) by \$10,000,000. NMDOT will transfer the funds from State Road Fund balance to the Energy, Minerals and Natural Resources Department (EMNRD) for the brine well remediation project. This transfer is being made in accordance with the provisions of a Memorandum of Understanding executed between agencies in June 2021.

Commissioner Ellis asked if this BAR is for a general fund for all brine well remediation or for a specific project. Secretary Sandoval explained that NMDOT has already contributed approximately \$31 million from the State Road Fund toward the remediation project. In return, the Legislature increased the Motor Vehicle Excise Tax distribution to NMDOT a certain percentage to reimburse the Department for its contributions. To date, NMDOT has been reimbursed approximately \$19 million. With this \$10 million transfer, NMDOT's contribution to the project will increase to a total of approximately \$41 million. Eventually, NMDOT will receive full payment for its entire contribution and will continue to receive the increased percentage of

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Motor Vehicle Excise Tax (approximately \$6 - \$7 million per year) until the amount is changed by the Legislature.

Chairman Adams asked for a motion to approve FY21 BAR No. 27 - Brine Well Remediation; Commissioner Ellis made a motion to so approve; Commissioner Taylor seconded; motion carried unanimously.

New Mexico Finance Authority (NMFA) Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT's investment portfolio funds under NMFA management and NMDOT/NMFA's outstanding bond debt service as of June 30, 2021. At the beginning of June, NMFA was holding \$124,270,942.34 for debt service. NMDOT made a bond payment in the total amount of \$122,842,675 (\$101,270,000 in principal and \$21,572,675 in interest) in June, leaving a balance of \$1,429,656.98, that NMFA is currently holding for debt service. NMFA is also holding \$6,727,380 in NMDOT's 2014 A project (Highway Infrastructure Fund) account. NMDOT has a \$50 million line of credit at Wells Fargo pursuant to certain agreements with BNSF. In June, NMDOT paid a Commitment Fee in the amount of \$24,013.89 for the line of credit. To date, NMDOT has paid the total amount of \$759,833 for the line of credit, which has been in place since 2013. Before NMDOT's June 15, 2021 bond payment, its outstanding debt was \$864,870,000. After its June 15 bond payment, NMDOT's outstanding debt service balance was \$763,600,000. NMDOT's next payment is due on December 15, 2021. It is for interest only, in the amount of \$18,653,325. NMDOT's 2021 A Bonds will be priced on June 27, 2021, with a closing date of August 11, 2021. NMFA will be selling \$234.6 million in bonds for NMDOT, for project funds

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in the total amount of \$300 million. After that sale, NMDOT's outstanding principal balance will be \$998.2 million.

Policy Reports

Proposed Request to Designate Certain Segments of NM 547, NM 53, NM 122, and NM 117 for the Operation of Recreational Off-Highway Vehicles ("ROVs")

Les Gaines briefed the STC regarding Cibola County's (Grants/Milan) proposed request to designate certain segments of NM 547, NM 53, and NM 122 for the operation of ROVs. He is a resident of Grants and a member of two community committees, the Mt. Taylor Zuni Mountain Collaborative and Recreation Economy for Rural Communities (RERC). He explained the economic outlook in the Grants area is currently rather grim due to the recent closure of the Escalante Power Plant and Western Refining. The large coal mine north of Grants is also a big employer in the area and is in jeopardy as well, because coal mining is slated to be phased out by 2030. In addition, during the 2021 Regular Legislative Session, a resolution or memorandum (Senate Memorial 7, *Closure of Private Prisons*) was introduced that proposed ending some of the funding to private prisons, two of which are located in the Grants area and are huge employers. As a result, it is necessary to explore other options to try to boost the economy in the area. It has therefore been decided the community will try to promote its "recreational economy" similar to other communities in the state. The objective is to attract large groups of people to the area and ensure they will be able to legally drive their ROVs to the recreation areas. Mr. Gaines described each of the routes included in the ROV designation request, all of which are state roads and reportedly posted with a speed limit of 45 miles per hour, with the exception of a segment of one

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road. He also stated that “NM 117 --Old Route 66 State Road 124 Eastbound to Chief Rancho”, as identified in the STC Brief, has been deleted from the request because of certain complications.

Approval of Proposed Agreement between NMDOT and the City of Santa Fe Regarding Transfer of Ownership and Maintenance Responsibilities for Cerrillos Road, St. Michaels Drive and Old Pecos Trail

Paul Brasher, P.E., District Engineer, District Five, NMDOT, presented and requested approval of the proposed Road Transfer Agreement (Agreement) between NMDOT and the City of Santa Fe (City), whereby NMDOT will transfer to the City full ownership of and maintenance responsibilities for certain segments of Cerrillos Road, St. Michaels Drive and Old Pecos Trail, which together total approximately 9.11 miles. The subject transfer complies with the provisions of Commission Policy 62, *Additions to and Deletions from the State Highway System* (CP 62). The City has fully executed the Agreement. The STC’s approval is required prior to NMDOT’s execution.

Chairman Adams requested that NMDOT do some public relations work to inform the public the roads are no longer owned by NMDOT.

Chairman Adams asked for a motion to approve the proposed agreement between NMDOT and the City of Santa Fe regarding the transfer of ownership and maintenance responsibilities for Cerrillos Road, St. Michaels Drive and Old Pecos Trail; Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of Proposed Request to Schedule a Special State Transportation Commission Meeting in August

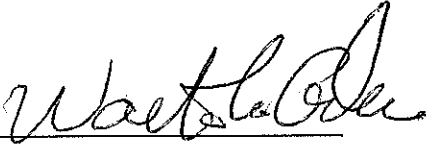
Secretary Sandoval, NMDOT, discussed the STC's obligation to determine final project selection and funding amounts for the Transportation Project Fund by September 1, 2021. On or before July 26, 2021, the District Engineers will submit their recommendations to the Office of the Secretary, which will then be reviewed. A list of final recommendations will thereafter be prepared and presented to the STC. Because the STC's next regular meeting is not scheduled until September 16, 2021, the Secretary requested that a special STC meeting be held on Thursday, August 26, 2021, at 9:00 a.m., to provide the STC the opportunity to review and approve final project selection and funding amounts before the September 1, 2021 deadline.

Chairman Adams recommended that the Special STC Meeting be held via Zoom. The other Commissioners agreed.

Chairman Adams asked for a motion to approve the scheduling of the special STC meeting; Commissioner Chynoweth made a motion to approve scheduling the special meeting to discuss final project selection and funding amounts for the TPF on August 26, 2021, at 9:00 a.m., via Zoom; Commissioner Ellis seconded; motion carried unanimously.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 11:55 a.m.; Commissioner Ellis made a motion to adjourn the regular meeting; Commissioner Taylor seconded. Motion carried unanimously.



Chairman

Walter G. Adams

Secretary

Charles Lundstrom